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OFFICE OF THE ETHICS COMMISSIONER

Province of Alberta

ANNUAL REPORT 2008-2009

under the *Conflicts of Interest Act*

and the *Lobbyists Act*

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ABOUT THE OFFICE OF THE ETHICS COMMISSIONER

Conflicts of Interest Act

The Office of the Ethics Commissioner exists as a result of and operates under the *Conflicts of Interest Act*, Revised Statutes of Alberta 2000, Chapter C-23 ("*COI Act*").

The Ethics Commissioner is an Officer of the Legislature. The Ethics Commissioner is appointed by Order-in-Council following passage of a motion in the Legislative Assembly approving the appointment. The motion follows a report and recommendation from the Special Committee appointed to search for and recommend the appointment of the Ethics Commissioner.

The Ethics Commissioner reports to the Legislative Assembly through the Speaker with respect to annual reports, investigation reports, and matters relating to the Ethics Commissioner's jurisdiction or authority under the *COI Act*, with the exception of administrative matters. The Ethics Commissioner presents budgetary estimates through the Standing Committee on Legislative Offices. The Legislative Assembly approves the budget for the Office of the Ethics Commissioner.

The Ethics Commissioner receives disclosure statements from all 83 Members of the Legislative Assembly (MLA) and from those public servants whose positions are designated as Senior Official positions. The combined total of filers in 2008/09 was 167.

The Ethics Commissioner provides advice to MLAs under the Act, either on an individual basis or generally to all or groups of MLAs (including former Members) and to current or former political staff members as defined in the *COI Act*. The Ethics Commissioner may also give advice under the *Alberta Public Service Post-Employment Restriction Regulation* to those individuals who are covered by post-employment restrictions as set out in that Regulation.

Upon receiving a report from the Ethics Commissioner, the Speaker is required to make the report public. If the Legislature is in session, the report is tabled at that time in the Legislature. If the Legislature is not in session, the report is released publicly and tabled when the Legislature next sits (Reference: section 28 of the *COI Act*). Under the *COI Act*, if the Ethics Commissioner has recommended a sanction in an investigation report, the Legislative Assembly shall debate and vote on the investigation report within 15 days after the tabling of the report, or such other period determined by a resolution of the Legislative Assembly.

Under section 29 of the *COI Act*, the Legislative Assembly may accept or reject the findings of the Ethics Commissioner or substitute its own findings and may, if it determines that there is a breach, impose the sanction recommended by the Ethics Commissioner or any other sanction referred to in section 27(2) it considers appropriate, or impose no sanction. The Ethics Commissioner reports and recommends to the Assembly. The Legislative Assembly has full and final authority with respect to disciplinary matters relating to its Members.

Further information on the functions and responsibilities of the Office of the Ethics Commissioner may be obtained by contacting the office:

Office of the Ethics Commissioner
1250, 9925 - 109 Street, Edmonton, Alberta T5K 2J8
Phone: (780) 422-2273 Fax: (780) 422-2261
E-mail: generalinfo@ethicscommissioner.ab.ca
Website: www.ethicscommissioner.ab.ca

Lobbyists Act

The Office of the Ethics Commissioner is responsible for the administration of the *Lobbyists Act*, Statutes of Alberta 2007, Chapter L-20.5 ("*Lobbyists Act*"). The Ethics Commissioner may delegate his or her functions under the *Lobbyists Act* to the Registrar (section 11).

The *Lobbyists Act* is intended to enhance integrity and accountability of government by fostering openness and transparency about who is influencing the decisions of public office holders. The *Lobbyists Act* establishes two categories of lobbyists: consultant lobbyists and organization lobbyists. The Act forbids the activities of lobbying and providing paid advice on the same subject matter, unless an exemption is given (section 6).

The preamble of the *Lobbyists Act* describes its basic principles as follows:

— free and open access to government is an important matter of public interest;
— lobbying public office holders is a legitimate activity;
— the public and public office holders should be able to know who is engaged in lobbying activities;
— a system for the registration of paid lobbyists should not impede free and open access to government; and
— the public and public office holders should be able to know who is contracting with the Government of Alberta and Provincial entities.

The lobbyists registry will be an electronic system accessed through the Internet that will enable online registration by lobbyists, administration by the Registrar and searches by the general public. When operational, the lobbyists registry will provide openness and transparency and will

— record the identities and activities of those who are paid to influence the decisions of public office holders;
— record the identities of organizations and clients who pay lobbyists to influence the activities of public office holders on their behalf;
— allow lobbyists to register, update, renew and terminate their own registrations on the system; and
— allow public scrutiny as the public will be able to view, search and obtain statistics and reports about lobbyists free of charge through the Internet.

The Ethics Commissioner reports to the Legislative Assembly through the Speaker with respect to investigation reports under the *Lobbyists Act*. After the report is prepared, the Ethics Commissioner provides the report to the Speaker of the Legislative Assembly and the report is tabled if the House is sitting. If the House is not sitting, the report is distributed to all Members of the Legislative Assembly. After distribution, the Ethics Commissioner may make the report public. A report that is provided when the House is not sitting is tabled when the House next sits (section 17 of the *Lobbyists Act*).

Further information on the *Lobbyists Act* or the functions and responsibilities of the Registrar, *Lobbyists Act*, may be obtained by contacting the:

Registrar, *Lobbyists Act*
1250, 9925 - 109 Street, Edmonton, Alberta T5K 2J8
Phone: (780) 644-3879 Fax: (780) 422-2261
E-mail: registrar@ethicscommissioner.ab.ca
Website: www.LobbyistsAct.ab.ca

OFFICE OF THE ETHICS COMMISSIONER

Neil R. Wilkinson
Ethics Commissioner/Officer of the Legislature

September 1, 2009

Hon. Kenneth R. Kowalski
Speaker of the Legislative Assembly
325 Legislature Building
Edmonton, Alberta
T5K 2B6

Dear Mr. Speaker:

It is my honour and privilege to submit to you the Annual Report of the Office of the Ethics Commissioner, covering the period from April 1, 2008 to March 31, 2009.

This report is submitted pursuant to section 46(1) of the *Conflicts of Interest Act*, Chapter C-23 of the 2000 Revised Statutes of Alberta.

This is my first annual report as Ethics Commissioner for the Province of Alberta. I wish to thank you, Mr. Speaker, and all Members of the Legislative Assembly for their cooperation and support over the past few months since my appointment.

Yours very truly,

Neil R. Wilkinson
Ethics Commissioner

1250, 9925 - 109 Street, EDMONTON, ALBERTA T5K 2J8 • Telephone: (780) 422-2273 • Fax: (780) 422-2261
E-mail: generalinfo@ethicscommissioner.ab.ca • Websites: www.ethicscommissioner.ab.ca and www.lobbyistsact.ab.ca
Direct contact: Telephone: (780) 422-4972 • E-mail: nwilkinson@ethicscommissioner.ab.ca

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ETHICS COMMISSIONER'S REMARKS

On November 19, 2008, I joined a small group of Albertans who have been given the great privilege of serving the people of Alberta as a Legislature Officer. When I applied for the job, I considered the qualifications and job description and believed it was both an important position and one to which I felt I could contribute and would enjoy doing. The breadth and depth of the job has been very rewarding.

According to the job description, this position is 70% of full-time but so far it has required my full-time commitment. Since my appointment in November, I have met with 74 senior officials, most within the first two and one-half months. As vacant positions fill, I continue to meet with the individuals who fill deputy minister-level positions. The total number of senior officials in this reporting year is 84. As the fiscal year ends, disclosure forms are being sent to all 83 Members of the Legislative Assembly and meetings with each Member will be held in the Spring and Summer of 2009.

In addition to these annual meetings, I have appeared twice before the all-party Standing Committee on Legislative Offices. The first meeting was held two days after my official swearing in as Ethics Commissioner with respect to our proposed budget for 2009-2010, and the second meeting was held on February 13, 2009, to discuss the previous year's annual report. I also offered to meet with each caucus represented in the Legislature and, to date, have met with the Liberal Opposition caucus.

There has been a steady stream of advice requests and a number of items to follow up on with respect to disclosure statements. More information on advice requests is contained later in this report.

As noted in last year's annual report, the Office has been given responsibility for implementing the lobbyists registry under the *Lobbyists Act*. A great deal of time is being dedicated to learning about this new field in Alberta, and we are committed to an optimal launch and the best possible registry.

We expect to launch the lobbyists registry in the Fall of 2009. We anticipate – based on communications to my Office – that there is an active lobbyist community in Alberta. We will have a better assessment of its size and the extent of its efforts only after the initial registrations occur this Fall.

Each day brings new issues to consider and consequently new learning experiences. I continue to gain a tremendous appreciation for the governance structure in this Province and the public servants who serve all Albertans. I am learning the contribution each Legislature Officer's office makes to accountability, transparency and integrity of the Alberta public service. Like a piece of a puzzle, individually, each Officer has a role that highlights accountability, transparency and integrity in one area. Collectively, linking the pieces together, Albertans have a clearer view of the overall state of governance.

In my remarks to the Standing Committee on Legislative Offices on November 21, 2008, I committed to taking a more active role in speaking to Albertans about the role of this Office. I have accepted speaking engagements as they have arisen and will look for opportunities to get around the province more. The work on the *Lobbyists Act* will likely provide a greater opportunity to accomplish that goal, and I will use those opportunities to speak to both roles played by my office.

I am looking forward to meeting my colleagues from across the country at the annual meeting of the Canadian Conflict of Interest Network (CCOIN) in Whitehorse this September. I have already seen the collaborative and consultative approach taken by this group and am comforted that this resource is available to those of us who are new to CCOIN. I will also attend the meeting of Lobbyists Registrars and Commissioners in Victoria immediately following the CCOIN meeting.

Similarly, I plan to attend the annual meeting of the Council on Governmental Ethics Laws in Phoenix, Arizona, in December, and get acquainted with colleagues from Canada and the United States who are actively involved in both ethics and lobbyists registry systems.

My office could not have progressed on the lobbyists registry without the support of a number of individuals – many who worked in the background but for whose services we are extremely grateful. I wish to particularly thank Martin Mesman and Bill Moulton of Service Alberta for their work on assisting us to assess our information technology (IT) needs, assisting in the drafting of our requests for proposals, and guiding us through the evaluation process. We are grateful as well to staff in Alberta Justice (and particularly Joan Neatby) who have kept us informed of progress on the statute and regulations. Staff in the Risk Management and Insurance Branch of Alberta Finance and Enterprise have assisted in reviewing contracts and ensuring we are properly addressing our risks. On the registry itself, we thank Rob Wright of AAD Inc., the successful registry software development vendor, for his significant contribution to this project and the responsive manner in which he has worked with our Registrar.

I wish to thank my predecessors in this position – Robert C. (Bob) Clark and Don Hamilton – for taking time with me and sharing their experiences. I am also grateful to my staff for their support: Karen South, Senior Administrator , Noela Inions, Q.C, Registrar, *Lobbyists Act*, and General Counsel; and Val Henkel and Louise Read who job-share in the Administrative Assistant position.

As a small office we are reliant on many others to provide support to us. I wish to thank Frank Work, Q.C., Information and Privacy Commissioner, for our continuing service agreement that covers our human resources and finance and accounting needs. Mr. Work's staff have provided excellent service to the Office of the Ethics Commissioner. Our overall IT needs were addressed through an outsourced contract for the first time in 2008-09, and we thank Compugen and its staff for the services they have provided.

The coming year will bring further changes to our Office. As Ms Inion's secondment to my Office concluded on March 31, 2009, a competition for the position of Registrar and General Counsel was held and a new Registrar has been selected. An RFP for outsourced IT support was issued and a new vendor, Long View Systems, will assume responsibility for those services commencing April 1, 2009.

I am looking forward to my first full year of service as Ethics Commissioner. I value the opportunity to continue to serve Albertans, our elected Members and our senior officials.

DISCLOSURE PROCESS

Prior to his departure as Ethics Commissioner, my predecessor Don Hamilton met with all 83 Members of the Legislative Assembly to review their disclosure statements. All 83 Members complied with the filing deadline. We thank the caucus Whips for their assistance in ensuring that there is 100% compliance with the legislation.

As per Office practice, disclosure forms were sent to all Senior Officials in late September. Consequently these disclosure forms were awaiting my appointment. Mr. Hamilton chose not to meet with any Senior Officials prior to his departure (other than those who were appointed early in 2008 and who filed in the Spring). All Senior Officials filed within the deadline in 2008.

The public disclosure statements were significantly different in 2008. These statements are filed (usually by November 1) with the Office of the Clerk of the Legislative Assembly, where they are available for public viewing or where the public may obtain copies. As a result of amendments to the COI Act which came into force on April 1, 2008, income of less than $5,000 is not disclosed, nor are assets and liabilities of less than $10,000.

While gifts of less than $400 are no longer required to be disclosed, I am pleased that many of the Members elected in 2008 have adopted a careful and diligent process for keeping track of gifts, including tickets to various events. Under the recent amendments, Members who accepted non-commercial flights relating to their duties were required to disclose those flights and did so.

My Office is working on a guide that will assist new Members and Senior Officials with the completion of the forms and, once it is finalized, it will be posted on our website.

PERFORMANCE MEASUREMENTS—CHART 1

Category of Filer	Forms Distributed	Deadline	Compliance
Members of the Legislative Assembly	April 1, 2008	June 16, 2008	100%
Senior Officials	September 29, 2008	December 1, 2008	100%

PROVISION OF ADVICE

The provision of advice is a key function of this Office. If a Member, Senior Official, or political staff member seeks my advice and provides all relevant information regarding the matter, and then follows the advice, they are given protection against allegations of a breach of the Act, directive or post-employment regulation. While my advice to Members is required to be in writing for this protection, requests for advice are not. Where a matter has some complexity, I will request that the matter be set out in writing. Where verbal advice is given — perhaps because of the urgency of a situation — Members and others may be assured that there is documentation of the request and the advice given.

The number of requests for advice for 2008-09 was slightly higher than the previous year. This is not unusual in an election year. New Members frequently seek more guidance as they familiarize themselves with the Act.

As a new Ethics Commissioner, I learned first hand the complexity of some of the questions and that a simple "yes" or "no" is rarely the correct response. To ensure that proper consideration is given to a request, it is important to ask questions and seek clarifications. This became important in my disclosure meetings with various Senior Officials.

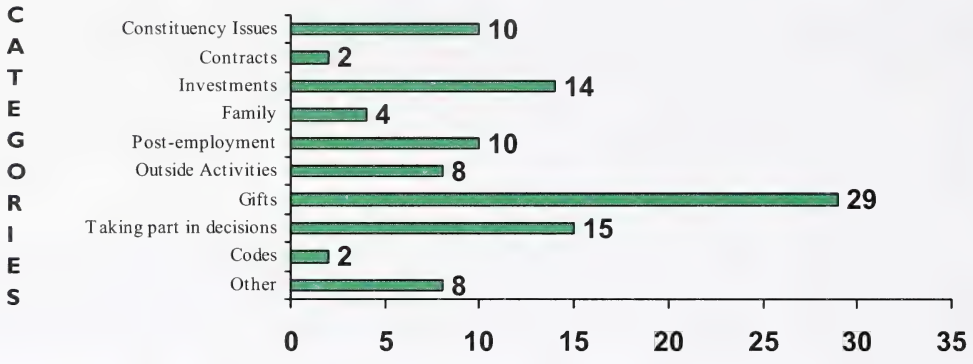
There were many changes in Senior Official postings in 2008 and in some cases, where an investment was previously approved, the approval had to be reconsidered in light of new responsibilities. With several agencies or boards, investments had to be considered in light of their internal conflict-of-interest policies in addition to the directive for these Senior Officials.

It has also become apparent that the world of investments has changed over the years, with many new types of investment instruments and different mechanisms for managing them. I will also discuss this matter with my colleagues in CCOIN at our annual meeting to determine how we best assist Members and Senior Officials in meeting their obligations while acknowledging that first and foremost, the responsibility to comply with the Act or directive rests with the person filing the disclosure statement.

At the annual report review meeting held by the Standing Committee on Legislative Offices on February 13, Committee members requested that my Office provide more information on performance measurements. While accepting that measuring "ethics" is not easy, I agreed to develop some measurements where I thought the measurements might have some useful purpose. I look forward to future meetings with the Committee to discuss improvements or additions to the measurements used in this report.

Figure 1 below provides some general information about the categories of requests for advice we received in 2008-09.

Figure 1: Requests for Advice (Total: 102)



Constituency Issues: Constituency issues related to two main types of requests: providing assistance to constituents or use of a constituency allowance. Where questions relating to the Member's constituency allowance are more properly within the mandate of the Office of the Speaker, the Member is referred to that Office.

Contracts: Contract questions are often raised by new Members with respect to their dealings with ATB Financial after their election.

Investments: Performance measurement information on investment matter questions are dealt with in Performance Measure Chart 2. A total of 14 requests were made in 2008-09 with respect to investments. The Chart shows how the response given to the request and the compliance measurement taken, if required.

Family: Questions involving family members related to either the employment or activities of a spouse or child. If the question involved a family member's investments, that question is included in the investments category.

Post-Employment: Post-employment questions were raised by departing Ministers, senior officials and political staff members.

Outside Activities: Questions regarding outside activities are almost exclusively raised by Private Members. For new Members, the question is most frequently related to what they may continue to do and whether there are identifiable conflicts in their continuing to have outside employment. There may be a link between these questions and questions relating to a Member's obligations to withdraw where a private interest has been identified. With respect to questions surrounding a Member's ability to take part in a decision, the primary focus is on whether a private interest exists or whether the matter is one of general application or one that affects a Member as one of a broad class of the public.

Gifts: As noted in previous annual reports, questions regarding gifts are the most frequently asked. Questions continue to be raised about the acceptability of tickets to sports events or various fundraisers. A number of new Members indicated they would be setting up a system to track all gifts, including tickets to events, to ensure that they were mindful of both the value of cumulative gifts they might receive from one source and any connections between a source and the Member's public responsibilities. I applaud these Members for their due diligence.

Taking Part in Decisions: Next to "gifts" this category has historically generated a large percentage of the requests for advice. Generally, Members consider their personal holdings or those of close family members and ask whether it is appropriate to participate in a decision before the Legislative Assembly or one of its committees, or before Executive Council or one of its committees. My Office will advise whether a private interest is involved or whether the matter may be one of general application or affect the Member as one of a broad class of the public.

Codes: Only verbal comments were sought on aspects of an agency's code of conduct this year. Additionally, within this statistic, my Office was asked to review or comment on certain non-health-related appointments.

Other: This category includes advice requests relating to Members participating on boards of charities or other not-for-profit entities; questions relating to disclosure statements; and provision of references.

PERFORMANCE MEASUREMENTS — CHART 2

Advice re Investments

Response	Compliance
Potential conflicts discussed; no immediate concerns	Based on discussions, all filers are in compliance
Advice that either investment be divested or blind trust be established	As at year's end, required actions have been taken or are in process
Correspondence exchanged to clarify investment instruments used and potential for influence directly in investment decisions or influence of value of investment through official decision-making	Clarifications resulted in advice that investments may be retained in the current instruments; obligations to withdraw noted where applicable

CONDUCT OF INVESTIGATIONS

No investigations were commenced under the Act during 2008-09. One investigation was requested under the *Alberta Public Service Post-Employment Restrictions Regulation*. Since the Regulation does not address the issue of making those reports available publicly, there has not been a public release of that report.

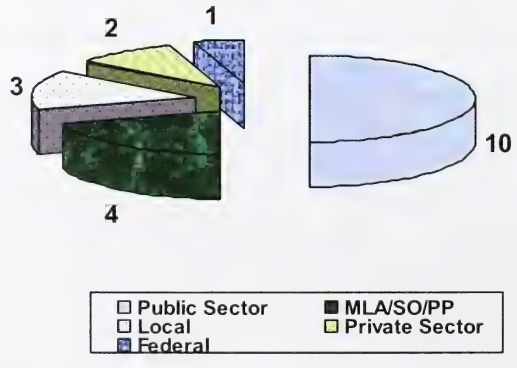
Certain issues relating to Board appointments to the newly-created Alberta Health Services Board were raised for possible review by this Office. While correspondence regarding this matter is confidential under the COI Act, I can report that no investigation was conducted or is underway.

As in previous years, the majority of calls to my Office for investigations involve matters outside my jurisdiction as Ethics Commissioner. Since most requests are received via telephone, the caller is referred to a more appropriate office for assistance on the same date. Figure 2 provides a generic breakdown of the types of requests we receive. As noted, most are non-jurisdictional. Public sector includes the broader public sector (i.e., regional health authorities and Workers' Compensation). "MLA/SO/PP" includes complaints against specific MLAs, Senior Officials or Political Parties.

The "Performance Measurements—Chart 3" provides more information relative to how the Office dealt with these requests. As noted in the Chart, requests received by mail tend to be more detailed and a more detailed response is provided.

The requests relating to Members were primarily related to something a Member said or did with which the requester disagreed or where a requester felt a response from the Member was not provided or was not adequate. None of these requests came within the mandate of my Office.

Figure 2: Requests for Investigations (Total: 20)



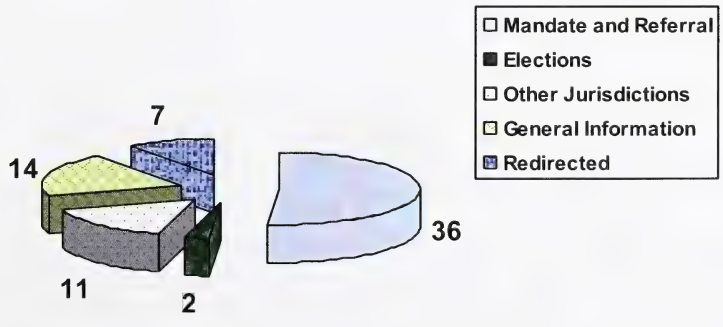
PERFORMANCE MEASUREMENTS — CHART 3

	LENGTH OF TIME FROM REQUEST TO RESPONSE		
Method of Request	Same Day	24-48 Hours	One week or more
Phone Call (14)	12	2	0
E-mails (2)	0	2	0
Letters (4)*	1	0	3

REQUESTS FOR INFORMATION

The vast majority of requests for information received by the Office over the year are from callers seeking some clarification of the mandate of the Ethics Commissioner. In 2008-09, we recorded 70 requests for information and they are categorized below. The distinction between "mandate and referral" and "redirected" is that in the former instance, a caller generally asks what the mandate of the Office is and is referred to a more appropriate source. In "redirected," a caller has in effect phoned the wrong office (e.g., an information and privacy concern that does not require explanation of the mandate of the Ethics Commissioner).

Figure 3: Requests for Information (Total: 70)



EDUCATIONAL INITIATIVES

I. Ethics Events or Conferences

Both the former Ethics Commissioner and the Senior Administrator attended the Canadian Conflicts of Interest Network (CCOIN) in Quebec City in September. CCOIN recognized my predecessor's contribution to the network with a gift at the final dinner at this year's meeting. Both Nunavut and British Columbia had appointed new Commissioners and the organization welcomed Paul Fraser, Q.C. from British Columbia and Norman Pickell, the Nunavut Integrity Commissioner. No one from this Office attended the Council on Governmental Ethics Laws (COGEL) conference in Chicago in December.

The CCOIN meeting will be held in Whitehorse in September 2009, and the COGEL conference will be held in Phoenix in December 2009.

II. Speaking Engagements/Presentations

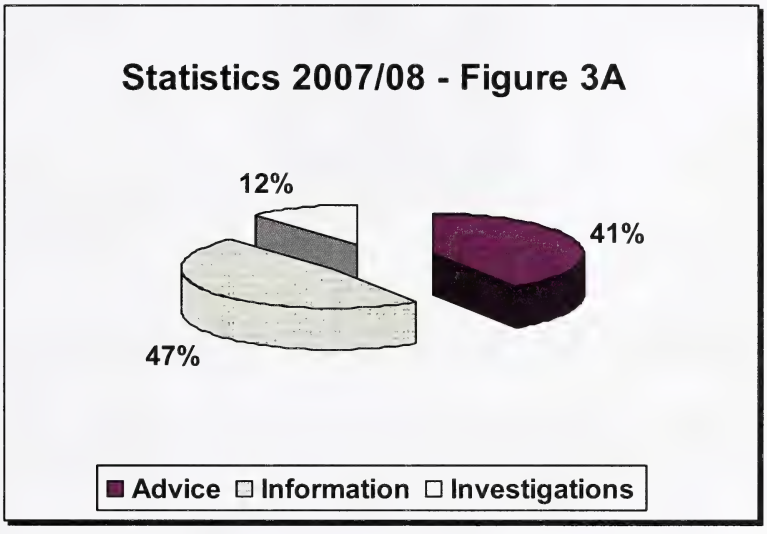
Date	Presentation or Speech
April 7, 2008	Legislative Assembly Page Professional Development Seminar Programme
April 8, 2008	Orientation session with new Members of the Legislative Assembly and staff
April 14, 2008	Orientation session with Liberal caucus and staff
April 24, 2008	Grade Six class, Prince of Wales School, Calgary
May 20, 2008	Chinese delegation -- Policy Options Project (CIDA)
February 3, 2009	Alberta Liberal Caucus presentation
February 13, 2009	Annual report review by Standing Committee on Legislative Offices
March 17, 2009	School at the Legislature, Greystone Middle School

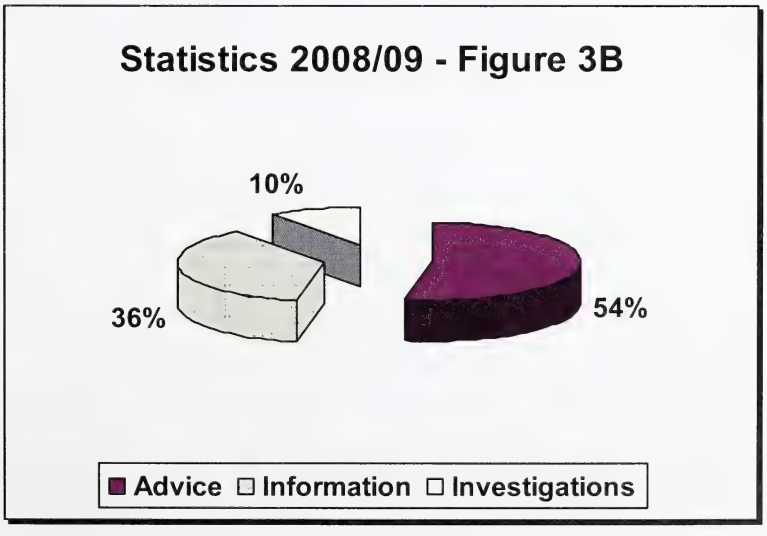
III. Publications

New versions of the Office brochures were placed on the website to coincide with the coming into force of the amendments to the *Conflicts of Interest Act* on April 1, 2008. A brochure dealing with the post-employment obligations of political staff members under the Act was developed and is available online. A brochure summarizing the *Alberta Public Service Post-Employment Restrictions Regulation* was developed and is also on our website.

COMPARATIVE STATISTICS

Figures 3A and B below show the percentage of requests received by our office that dealt with information, investigations, or provision of advice, compared to the statistics for 2007/08.





ANNUAL REPORT 2008-2009
of the Registrar, *Lobbyists Act*

OFFICE OF THE ETHICS COMMISSIONER

Registrar, *Lobbyists Act*

Neil Wilkinson
Ethics Commissioner
Office of the Ethics Commissioner
1250, 9925 – 109 Street
Edmonton, Alberta
T5K 2J8

Dear Mr. Wilkinson:

It is my honour and privilege to submit to you the second Annual Report of the Registrar, *Lobbyists Act*, covering the period from April 1, 2008 to March 31, 2009.

Thank you for the opportunity to serve the people of Alberta over the past year as the Registrar, *Lobbyists Act*, pursuant to the *Lobbyists Act*, S.A. 2007, c. L-20.5.

Yours very truly,

Noela Inions, Q.C.
Registrar, *Lobbyists Act* and General Counsel
Office of the Ethics Commissioner

REMARKS OF THE REGISTRAR, *LOBBYISTS ACT*

This is my second annual report as Registrar, *Lobbyists Act*.

Much has already been accomplished under the *Lobbyists Act*, although there is still much to do. Attached in Appendix 1 is a table that provides an overview of some key past, present and future factors that will affect the readiness of the launch of the registry. The factors include the registry software, registry environment and roll-out, website hosting, managed IT Services (MITS), update for the privacy impact assessment (PIA), the new Registrar, informational materials, educational sessions, notice to lobbyists, new and amended legislation and initial registration.

REGISTRY ROLL-OUT

Over the year, a roll-out team was identified and met by teleconference on a weekly basis in order to coordinate the third parties and diverse activities required to build the registry. Bi-weekly meetings were held, as needed, with representatives of Alberta Justice. The registry software developer, Rob Wright of AAD Inc. and the Registrar met by teleconference on a daily basis to the extent possible, from the beginning of July 2008 until the end of March 2009.

CONTRACTS AND RFPS

This has been a busy year in terms of the number of new contractual arrangements that have been required. The arrangements included two Requests for Proposals (RFPs), which included development of the registry software and provision of managed information technology support (MITS) services.

The first RFP was for software development and utilized source code from Ontario's lobbyists registry. AAD Inc. was the successful vendor. Three amendments were negotiated in conjunction with the software development contract, which included the initial enhancement of the software, expediting enhancement of the software and ongoing enhancement, maintenance and support for the software application.

The second RFP was for MITS services, which are office-wide. Long View Systems was the successful vendor. The MITS services, as well as transition-in services, are to commence on April 1, 2009. Before this fiscal year, IT services were obtained under a shared services arrangement with the Office of the Information and Privacy Commissioner (OIPC). OIPC provided IT services until May 31, 2008, after which services were obtained from a private vendor, Compugen. Compugen also did two projects for OEC this year. The first project entailed a new server and separating OEC from OIPC. The second project involved the installation and configuration of the infrastructure and network for the registry.

The contractual arrangements with Compugen included a Change Request for higher service levels that were required to support the registry equipment. An extension of the MITS Contract was negotiated for the month of April 2009 to cover the possibility that a new contract would not yet be in place under the RFP.

During this fiscal year, there were a total of 15 contractual arrangements, 13 of which were new. Before this year, the service contracts at OEC consisted of extensions of two longstanding arrangements with OIPC and the Legislative Assembly Office (LAO). In the past, the OIPC shared services

contract covered HR, finance, legal and IT services. As of April 1, 2008, OIPC no longer provided legal services. Legal services are now provided by the Registrar, who is also General Counsel. Efforts are currently underway to secure a new website host.

The assistance of the Office of the Auditor General (conflict of interest provisions for contracts), LAO (website hosting), OIPC (shared HR and finance services) and Risk Management Services (liability and indemnity) is gratefully acknowledged.

EDUCATION

The Registrar, *Lobbyists Act*, and General Counsel attended the annual Registrar Network meeting, as well as the Canadian Conflict of Interest Network meeting in Quebec City in September 2008. The Registrars' meeting provided an excellent opportunity for knowledge sharing with other lobbyists registration offices.

After Bill 2, the *Lobbyists Amendment Act* and the new regulations are in place, the content of all materials on the *Lobbyists Act* website will need to be reviewed and updated. This would also be an opportune time to issue additional materials under the *Lobbyists Act,* such as Questions and Answers, Advisory Opinions and Interpretation Bulletins, as needed.

There is lively interest in presentations about the *Lobbyists Act* to be given after the *Lobbyists Amendment Act* and new regulations are in place. To the extent possible, the presentations will include an internal view of a new website that will house the registry and trial registrations in the lobbyists registry. Examples of presentations that have been given over the past year pertaining to the *Lobbyists Act* are listed below.

Date	Presentations Given
April 8, 2008	Orientation Session for new Members of the Legislative Assembly and Staff, Edmonton
May 20, 2008	Policy Options Project (CIDA) for the Chinese Delegation, Edmonton
September 9, 2008	Developments under the Alberta *Lobbyists Act* for the Lobbyists Registrars and Commissioners Conference, Quebec City
October 9, 2008	Lobbyists Act for Fuel Tax Preparers Annual Meeting, Calgary
October 28, 2009	Lobbyists Registration for Health Law Subsection, CBA, Edmonton
November 18, 2009	Lobbyists Registration for École Avalon High School, Edmonton
November 28, 2008	Budget Submission for Standing Committee on Legislative Offices, Edmonton
February 3, 2009	Lobbyists Registry Update for Alberta Liberal Caucus, Edmonton
February 13, 2009	Annual Report Review for Standing Committee on Legislative Offices, Edmonton

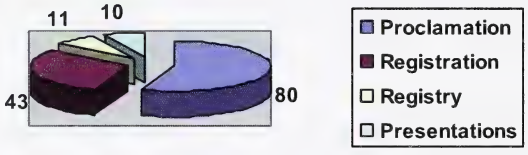
COMMUNICATIONS

A communications plan has been developed for implementation of the *Lobbyists Act*. The plan includes posting informational materials on the website, arranging and providing presentations, and holding a media session prior to the "go live" date of the registry.

REQUESTS FOR INFORMATION

Lobbyists and interested parties have called and asked for information or for meetings to learn more about duties and requirements under the *Lobbyists Act*. As shown in the Figure below, the total number of requests for information was 108. The requests have been categorized as: relating to proclamation or the status of the registry; what one would have to do to register (registration requirements); the development of the registry itself; and requests for meetings or presentations. Some requests related to more than one category so the individual figures will exceed 108.

REQUESTS FOR INFORMATION:
TOTAL: 108



LEGISLATIVE REVIEW

It is anticipated that the *Lobbyists Act* will be proclaimed into force when the lobbyists registry is ready to go live, which is expected to be in the Fall of 2009.

The changes proposed in the *Lobbyists Amendment Act* will clarify and strengthen the legislation. For example, as the Registrar conducts the investigations, it will be the Registrar who will prepare the subsequent investigation report. The scope of the Act will be broader as the meaning of "public office holder" will include the additional category of a board, committee or council. The prohibition on lobbying and providing paid advice on the same subject matter will be broader and will include organization lobbyists, regardless of the number of hours spent lobbying.

There is a mandatory two year legislative review. Two years is a short time to gather much experience with this piece of legislation. Nevertheless, this timeframe provides an important opportunity for dialogue on key policy issues such as exclusion of not-for-profit organizations and exceptions for public office holders requesting advice.

Various Justice officials, primarily Joan Neatby, have worked diligently to keep OEC informed and to seek our input into these types of legislative developments under the *Lobbyists Act*.

CONSULTATION

Over the past year there has been consultation and liaison with other offices of the Legislative Assembly such as Elections Alberta (e.g., electronic registries, server room requirements), the Ombudsman's Office (internal procedures), the OIPC (acceptance of our PIA) and the LAO (issuing news releases and website hosting).

Additionally, over the past year there has been consultation with other lobbyists registration offices. This is a valuable source of knowledge, other approaches and practical solutions. Lobbyists Registrars have been hosted at the Alberta office, and the Registrar has conducted site visits to other jurisdictions, whenever possible, combined with other travel to minimize cost. The Registrar has attended meetings and conducted site visits at registries and Registrars / Commissioners' offices located in Toronto (both provincial and municipal), Quebec City, Montreal and Ottawa. There have been many informal surveys conducted about approaches in other jurisdictions, e.g., RFPs and e-payment. Trial registrations have been conducted in other lobbyists registries.

I thank Mr. Don Hamilton, the past Ethics Commissioner for the secondment opportunity to act as the first Registrar, *Lobbyists Act*, for the Province of Alberta. I have appreciated the opportunity to work with the new Ethics Commissioner, Mr. Neil Wilkinson. I thank the Office of the Ethics Commissioner staff, Karen South, Senior Administrator, and Gail Simpson, Val Henkel and Louise Read for their support during this ground-breaking phase of building the registry and implementing the *Lobbyists Act*.

Martin Mesman (registries) and Bill Moulton (procurement) of Service Alberta provided invaluable assistance in guiding us through building an electronic registry and complying with the competitive bid process. Numerous third parties were involved in various aspects of building the registry, such as installation and testing of the separate SuperNet line, e.g., State Farm, Bell, Axia and SuperNet Alberta. I thank the staff of our IT service provider, Compugen, for their efforts.

The collaborations and partnerships developed over the past year made it possible to obtain essential expertise and build the registry on time and within budget.

Office of the Ethics Commissioner

Financial Statements

March 31, 2009

Office of the Ethics Commissioner
Financial Statements
March 31, 2009

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Salary and Benefits Disclosure

Schedule 2 – Allocated Costs

AUDITOR GENERAL *Alberta*

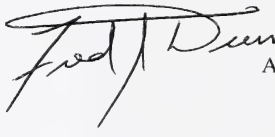
Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Office of the Ethics Commissioner as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Office's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Office as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
June 26, 2009

Office of the Ethics Commissioner
Statement of Operations
Year ended March 31, 2009

	2009		2008
	Budget	Actual	Actual
Revenues			
Prior Year Expenditure Refund	$ -	$ 143	$ 132
Other Revenue	-	728	124
	-	871	256
Expenses – Directly Incurred (Note 3(b))			
Voted			
Salaries, Wages, and Employee Benefits	493,500	523,541	362,120
Supplies and Services	216,500	176,245	45,327
Supplies and Services from Support Arrangements with Related Parties (Note 7)	-	20,000	21,135
Amortization	40,000	4,457	3,255
Total Voted Expenses before Recoveries	750,000	724,243	431,837
Less: Recovery from Support Service Arrangements with Related Parties (Note 7)	-	-	(1,293)
	750,000	724,243	430,544
Statutory			
Valuation Adjustments			
Provision for Vacation Pay	-	(1,674)	2,623
	750,000	722,569	433,167
Gain on Disposal of Capital Assets	-	6	-
Net Operating Results	$ (750,000)	$ (721,692)	$ (432,911)

The accompanying notes and schedules are part of these financial statements.

Office of the Ethics Commissioner
Statement of Financial Position
As at March 31, 2009

	2009	2008
Assets		
Prepaid Expenses	$ 59	$ 3,691
Tangible Capital Assets (Note 4)	161,883	6,024
	$ 161,942	$ 9,715
Liabilities		
Accounts Payable and Accrued Liabilities	$ 27,998	$ 16,554
Accrued Vacation Pay	29,632	31,306
	57,630	47,860
Net Assets (Liabilities)		
Net Liabilities at Beginning of Year	(38,145)	(28,286)
Net Operating Results	(721,692)	(432,911)
Net Financing Provided from General Revenues	864,149	423,052
	104,312	(38,145)
	$ 161,942	$ 9,715

The accompanying notes and schedules are part of these financial statements.

Office of the Ethics Commissioner
Statement of Cash Flows
Year ended March 31, 2009

	2009	2008
Operating Transactions		
Net Operating Results	$ (721,692)	$ (432,911)
Non-cash Items included in Net Operating Results		
Amortization of Tangible Capital Assets	4,457	3,255
Valuation Adjustments	(1,674)	2,623
Gain on Disposal of Capital Assets	(6)	-
	(718,915)	(427,033)
Decrease in Accounts Receivable	-	103
Decrease (Increase) in Prepaid Expenses	3,632	(2,072)
Increase in Accounts Payable	11,444	5,950
Cash Applied to Operating Transactions	(703,839)	(423,052)
Capital Transactions		
Disposal of Capital Assets	6	-
Acquisition of Capital Assets	(160,316)	-
	(160,310)	-
Financing Transactions		
Net Financing Provided From General Revenues	864,149	423,052
Increase in Cash	-	-
Cash, Beginning of Year	-	-
Cash, End of Year	$ -	$ -

The accompanying notes and schedules are part of these financial statements.

Office of the Ethics Commissioner
Notes to the Financial Statements
Year ended March 31, 2009

Note 1 Authority

The Office of the Ethics Commissioner (the Office) operates under the authority of the *Conflicts of Interest Act* and the *Lobbyists Act*. The net cost of the operations of the Office is borne by the General Revenue Fund of the Province of Alberta. Annual operating budgets are approved by the Select Standing Committee on Legislative Offices.

Note 2 Purpose

The Office of the Ethics Commissioner enhances public confidence in the integrity of Members of the Legislative Assembly, former Ministers and former political staff members, and of the public service of Alberta by providing advice and guidance to Members and senior officials regarding their private interests in relation to their public responsibilities, by conducting investigations into allegations of conflicts of interest against Members, and by promoting the understanding by Members, senior officials and the public of the obligations regarding conflict of interest contained in legislation or directive.

The Office of the Ethics Commissioner is responsible for creating and maintaining a publicly-accessible lobbyists registry; providing advice and information to lobbyists and citizens on matters covered by the Lobbyists Act; and conducting investigations into possible contraventions of the Act which may require payment of an administrative penalty.

Note 3 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The reporting entity is the Office of the Ethics Commissioner, for which the Ethics Commissioner is responsible.

The Office operates within the General Revenue Fund. The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of the Office are deposited into the Fund and all cash disbursements made by the Office are paid from the Fund. Net financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

Office of the Ethics Commissioner
Notes to the Financial Statements
Year ended March 31, 2009

Note 3 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Office has primary responsibility and accountability for, as reflected in the Office's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- Amortization of tangible capital assets;
- Pension costs which comprise the cost of employer contributions for current services of employees during the year; and
- Valuation adjustments which represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Incurred by Others

Services contributed by other entities in support of the Office's operations are disclosed in Schedule 2.

Assets

Financial assets of the Office are limited to financial claims, such as receivables from other organizations.

Tangible capital assets of the Office are recorded at historical cost and are amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for tangible capital assets is $5,000.

Office of the Ethics Commissioner
Notes to the Financial Statements
Year ended March 31, 2009

Note 3 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net liabilities represents the difference between the carrying value of assets held by the Office and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Office of the Ethics Commissioner
Notes to the Financial Statements
Year ended March 31, 2009

Note 4 Tangible Capital Assets

	Office equipment and furniture	Computer hardware and software	2009 Total	2008 Total
Estimated Useful Life	10 years	3 years		
Historical Cost*				
Beginning of Year	$ 17,278	$ 29,634	$ 46,912	$ 46,912
Additions	16,170	144,146	160,316	-
Disposals, Including Write-Downs	-	(12,975)	(12,975)	-
	$ 33,448	$ 160,805	$ 194,253	$ 46,912
Accumulated Amortization				
Beginning of Year	$ 12,018	$ 28,870	$ 40,888	$ 37,633
Amortization Expense	2,536	1,921	4,457	3,255
Effect of Disposals	-	(12,975)	(12,975)	-
	$ 14,554	$ 17,816	$ 32,370	$ 40,888
Net Book Value at March 31, 2009	$ 18,894	$ 142,989	$ 161,883	
Net Book Value at March 31, 2008	$ 5,260	$ 764		$ 6,024

* Historical cost includes work-in-progress at March 31, 2009 totaling $137,208.27 comprised of computer hardware and software. This has not been amortized during the period.

Office of the Ethics Commissioner
Notes to the Financial Statements
Year ended March 31, 2009

Note 5 Defined Benefit Plans

The Office participates in the multiemployer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The expense for these pension plans is equivalent to the annual contributions of $50,591 for the year ending March 31, 2009 (2008 – $24,686).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574,000 (2007 – $84,341,000) and the Public Service Pension Plan reported a deficiency of $1,187,538,000 (2007 – $92,509,000 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111,000 (2007 – surplus of $1,510,000).

The Office also participates in a multiemployer Long Term Disability Income Continuance Plan. At March 31, 2009, the Management, Opted Out and Excluded Plan reported an actuarial deficiency of $1,051,000 (2008 – actuarial surplus of $7,874,000). The expense for this plan is limited to employer's annual contributions for the year.

Note 6 Contractual Obligations

	2009	2008
Long-term Leases	$ 3,205	$ 4,953

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Long-term Leases
2010	$ 1,748
2011	1,457
	$ 3,205

Office of the Ethics Commissioner
Notes to the Financial Statements
Year ended March 31, 2009

Note 7 Related Party Transactions

The Office of the Ethics Commissioner receives financial services from the Office of the Information and Privacy Commissioner. Supplies and Services from Support Arrangements with Related Parties, in the amount of $20,000 is included with voted expenses.

Note 8 Approval of Financial Statements

The financial statements were approved by the Ethics Commissioner.

Schedule I

Office of the Ethics Commissioner
Salary and Benefits Disclosure
Year ended March 31, 2009

	2009				2008
	Base Salary [a]	Other Cash Benefits [b]	Other Non-cash Benefits [c)]	Total	Total
Senior Official Ethics Commissioner [d)(e)]	$ 133,608	$ 19,254	$ 5,750	$ 158,612	$ 140,270

Prepared in accordance with Treasury Board Directive 12/98 as amended.

[a] Base salary includes regular base pay.

[b] Other cash benefits include monthly payment in lieu of employee participating in the Management Employee Pension Plan, vacation payouts and lump sum payments. Accumulated vacation of $7,869 was paid to the former Commissioner in 2009.

[c] Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employee, including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees (as applicable).

[d] Automobile provided, no dollar amount included in other non-cash benefits.

[e] This position was occupied by two individuals through the year. The former Commissioner's appointment ended November 18, 2008 and the current Commissioner's appointment began November 19, 2008.

Schedule 2

Office of the Ethics Commissioner
Allocated Costs
Year ended March 31, 2009

	2009					2008
		Expenses — Incurred by Others		Valuation Adjustments		
Program	Expenses [a]	Accommodation Costs [b]	Telephone Costs [c]	Vacation Pay [d]	Total Expenses	Total Expenses
Operations	$ 724,243	$ 46,583	$ 1,616	$ (1,674)	$770,768	$ 483,436

[a] Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

[b] Costs shown for Accommodation includes grants in lieu of taxes.

[c] Telephone Costs is the line charge for all phone numbers.

[d] Valuation Adjustments as per Statement of Operations.

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